

Jefferies International Limited
Supplementary note to the Statutory Financial Statements
For the year ended 30 November 2014

On 27th February 2015, Jefferies International Limited (the "Company") issued statutory financial statements for the year ending 30 November 2014. Those statutory financial statements contained a typographical error in the prior year comparative Balance Sheet (see page 13). The comparative numbers for the year ended 30 November 2013 contain an incorrect sub-total for the current assets of £55,090,749. The correct sub-total of the current assets, for the year ended 30 November 2013, is £5,090,749. None of the individual asset items were incorrectly stated.

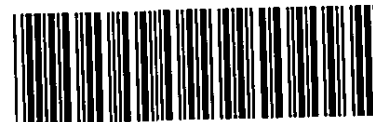
This supplementary note forms part of the Company's statutory financial statements for the year ended 30 November 2014 and revises those statutory financial statements such that the sub-total of the current assets, for the year ended 30 November 2013, on the Balance Sheet is now £5,090,749. In accordance with the Companies Act 2006, the financial statements have been revised as at the date of the original financial statements and not at the date of the revision. Accordingly they do not deal with events between 27 February 2015 and 27 March 2015.

The Companies Act 2006 requires that where revised financial statements are issued, a revised auditors' report is issued and this is attached.

On behalf of the board



H M Tucker
Director
27 March 2015



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COMPANIES HOUSE

Jefferies International Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JEFFERIES INTERNATIONAL LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, Jefferies International Limited's revised financial statements (the "revised financial statements")

- give a true and fair view, seen as at the date the original financial statements were approved, of the state of the company's affairs as at 30 November 2014 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice seen as at the date the original financial statements were approved, and
- have been prepared in accordance with the provisions of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008

Emphasis of Matter

In forming our opinion on the revised financial statements, which is not modified, we have considered the adequacy of the disclosures made in the supplementary note to the original financial statements concerning the need to revise the prior year comparative Balance Sheet because of the correction of a misstatement in the original financial statements. The original financial statements were approved on 27 February 2015. We have not performed a subsequent events review for the period from the date the original financial statements were approved to the date of this report.

What we have audited

Jefferies International Limited's original financial statements comprise

- the balance sheet as at 30 November 2014,
- the profit and loss account and statement of total recognised gains and losses for the year then ended,
- the notes to the revised financial statements, which include a summary of significant accounting policies and other explanatory information.

The revised financial statements replace the original financial statements approved by the directors on 27 February 2015 and consist of the attached supplementary note together with the original financial statements which were circulated to members on 27 February 2015.

The financial reporting framework that has been applied in the preparation of the original and revised financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion

- the original financial statements for the year ended 30 November 2014 failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors in the supplementary note to the original financial statements, and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the revised financial statements are prepared is consistent with the revised financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the revised financial statements are not in agreement with the accounting records and returns; or

Jefferies International Limited
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JEFFERIES
INTERNATIONAL LIMITED (continued)

- we have not received all the information and explanations we require for our audit

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the revised financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the revised financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of revised financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the revised financial statements sufficient to give reasonable assurance that the revised financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the revised financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the revised financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited revised financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

The audit of revised financial statements includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.



Jonathan Askew (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 March 2015

JEFFERIES INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 30 November 2014



COMPANIES HOUSE

Company Registration No. 1978621

Jefferies International Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

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Jefferies International Limited

STRATEGIC REPORT

The directors present their strategic report on Jefferies International Limited (the "Company") for the year ended 30 November 2014

1. REVIEW OF THE BUSINESS

The Company acts as the principal operating subsidiary for Jefferies International (Holdings) Limited which in turn is an intermediate holding company for Jefferies Group LLC. Jefferies Group LLC is a full service investment banking firm owned by Leucadia National Corporation, a company listed on the New York Stock Exchange.

The Jefferies Group provides clients with capital markets and financial advisory services, institutional brokerage, securities research and as wealth management services. It provides research and trade execution in equity, fixed income, foreign exchange, futures and commodities markets and a full range of investment banking services including underwriting, merger and acquisition, restructuring and recapitalisation and other advisory services.

Financial Performance

The Company has recorded a profit after tax for the financial year of £41,895,047 (2013: £16,500,274).

The Company has continued to experience improved trading conditions with significant increases in activity across all sectors of the business. The increased trading activity has resulted in the positive results reported by the Company for the financial year ended 30 November 2014.

The table below sets out the key results and performance indicators for the year.

	Year ended 30 November 2014 £000	Year ended 30 November 2013 £000
Turnover	384,080	339,844
Profit before tax	56,103	22,744
Profit after tax	41,895	16,500
Total shareholders' funds	416,800	329,805
Operating profit margin	19%	12%
Return on capital employed	11%	7%
Current ratio	112%	111%

The return on capital employed ratio is calculated by dividing net operating profit by total assets less current liabilities. The statutory Profit and Loss Account for the year is set out on page 11. There are no non-financial performance indicators included within the Strategic Report as the directors do not believe that there are any appropriate indicators that would assist in understanding the development, performance or position of the Company's business.

Future developments and prospects

The Company is well positioned to build on the success of the past financial year. The Board continues to believe that the Company's unwavering focus on our clients' needs is the foundation for future growth and success.

The Company does face a number of risks and uncertainties in implementing the Board's strategic plan. These risks and uncertainties include: market risk, credit risk, operational risk, liquidity risk, capital risk and conduct risk.

Jefferies International Limited

STRATEGIC REPORT (continued)

1. REVIEW OF THE BUSINESS (continued)

Future developments and prospects (continued)

The Board believes that these risks and uncertainties are satisfactorily mitigated through the comprehensive systems of controls and senior management oversight that have been implemented throughout the business. The risks faced by the business are discussed in more detail within the Director's report.

The Company continues to enjoy the full support of both Jefferies Group LLC and the ultimate parent company, Leucadia National Corporation.

2. CORPORATE GOVERNANCE

The Company is committed to high standards of corporate governance as evidenced by the level of senior management oversight and review as discussed in more detail in the Directors' report.

3. GENERAL

The Company continues to operate branches in Frankfurt, Paris, Milan, Dubai and Moscow. In 2014 the Company established a new branch in Stockholm. The Company currently has subsidiaries in Switzerland, Jefferies (Switzerland) Limited, and the United States of America, Station Place Securitization Trust ("Station Place"). The Board has approved a proposal to change the status of Jefferies (Switzerland) Limited from a subsidiary of the Company to a branch of the Company. This change will be actioned in the next financial year. Station Place is a Delaware trust that was established in January 2014.

The Company is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom. The FCA requires a specified minimum level of regulatory capital and liquidity to be maintained by the Company. The Company operates its branch offices under the passporting regime of the Markets in Financial Instruments Directive with the FCA as the home state regulator. Jefferies (Switzerland) Limited is authorized by the Swiss Financial Markets Supervisory Authority.

The Company is a member of the following exchanges: London Stock Exchange, Euronext, ICE Futures Europe (Financials), Deutsche Boerse, Oslo Bors, SIX Swiss Exchange, Borsa Italia, Nasdaq OMX, HDAT, SENAF and Bonddivision.

The Company operates in the primary sovereign debt markets, participating in debt issuances for the governments of Belgium, Germany, the Netherlands, Portugal, Slovenia and the United Kingdom (Retail Gemm). The Company is also a dealer for the European Financial Stability Fund (EFSF).

On behalf of the Board



D W Weaver
Director

27th February 2015

Vintners Place
68 Upper Thames Street
London EC4V 3BJ

Jefferies International Limited

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the Company for the year ended 30 November 2014. The information in relation to the Company's future developments is discussed within the Strategic Report.

1. DIVIDENDS

The directors do not recommend the payment of a dividend for the year ended 30 November 2014 (2013: £nil).

2. GOING CONCERN

The directors have a reasonable expectation that there are adequate resources, both in terms of liquidity and regulatory capital, for the Company to continue in operational existence for the foreseeable future. This assessment is made taking into account both the positive result in the financial year and the continuing support of the Company's parent, Jefferies International (Holdings) Limited and Jefferies Group LLC.

The Company's shareholder's funds have increased from £329.8 million as at 30 November 2013 to £416.8 million as at 30 November 2014. The Company had cash of £355.9 million as at 30 November 2014 compared to £102.9 million as at 30 November 2013. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company acknowledges the risks it faces in undertaking its business and seeks to understand, assess and mitigate those risks in such a way that the financial impact is managed in accordance with the overall risk appetite of the Board.

Risk is an inherent part of the Company's business and activities. Accordingly, the Company has a comprehensive risk management approach, with a formal governance structure (see section 4 overleaf) and processes to identify, assess, monitor and manage risk.

The Company's financial risk management process is discussed in more detail in note 25.

Non-financial risks considered include:

- The Company operates in a competitive market environment and the continued success of the business is based on its staff, their knowledge and understanding of the market and on meeting client requirements. The Company looks to retain and recruit staff through the offering of a competitive and comprehensive compensation and benefits package that is regularly reviewed in light of market changes.
- In line with the rest of the Jefferies Group, the business of the Company falls under the Jefferies Group business recovery plan. The purpose of the plan is to ensure that the organisation is ready to manage the effects of an emergency on its business operations. These plans not only facilitate a recovery in the event of a major catastrophe, they also assist the organisation in dealing with technology based failures or local events such as power outages, fires and floods.
- The risk that detriment is caused to our clients, to the Company or to the wider Jefferies Group because of the inappropriate execution of our business activities. The Board has put in place various policies and procedures to ensure that each of the Company's employees understand and comply with the regulatory and ethical standards expected of them.

Jefferies International Limited

DIRECTORS' REPORT (continued)

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

- The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Board and its committees have put in place an operational risk management framework designed to mitigate operational risk. The framework includes governance, proactive operational risk management and periodic review and analysis of business metrics to identify and recommend controls and process related enhancements.
- The risk that capital is inadequate to satisfy regulatory requirements, support business goals and general solvency. The FCA requires the Company to maintain specified levels of regulatory capital, which if the minimum conditions are not met would expose the Company to various sanctions, ranging from fines and censorship to partial or complete restrictions on the Company's ability to conduct business. This imposes extensive reporting requirements and continuing self-assessment and appraisal.

4. CORPORATE GOVERNANCE

The Company is committed to high standards of corporate governance as evidenced by the level of senior management oversight and review.

The Board

The Board comprises six executive directors and three non-executive directors. The Board meets at least quarterly and has adopted a schedule of matters specifically reserved for its approval and/or review. In addition to the quarterly scheduled meetings the Board meets when required.

Committees

The Board is supported in its activities by four Board committees being: (1) the Audit Committee; (2) the Board Risk Committee; (3) the Remuneration Committee; (4) the Nominations Committee; and three management committees being: (1) the Risk Management Committee; (2) the Operating Committee and (3) the Asset and Liability Management Committee. The Risk Management Committee and Operating Committee each have sub-committees. Each committee has its own charter detailing, amongst other matters, their respective memberships, duties and responsibilities and is appointed on a joint basis by each of the Company and Jefferies Bache Limited ("JBL") (which is also a wholly-owned subsidiary of the Company's parent, Jefferies International (Holdings) Limited).

Audit Committee

The Audit Committee is chaired by Timothy Barker (Non-Executive Director), the other members comprise two non-executive directors. It meets at least quarterly and more frequently if necessary. The Audit Committee is appointed by the Board to: review and assess the Company's financial statements, disclosure and regulatory matters, review the management representations and responses to the external auditors; review and evaluate the external auditors (including their independence and objectivity); review the effectiveness of the internal audit function and consider and approve the audit plan; review the adequacy of the design and operating effectiveness of the Company's key internal controls, including risk controls; and review the adequacy of the Company's procedures in relation to whistleblowing, detection of fraud and prevention of bribery.

Board Risk Committee

The Board Risk Committee is chaired by Alan Gibbins (Non-Executive Director); the other members comprise two non-executive directors. It meets at least quarterly and more frequently if necessary.

Jefferies International Limited

DIRECTORS' REPORT (continued)

4. CORPORATE GOVERNANCE (continued)

Board Risk Committee (committee)

The Board Risk Committee is appointed by the Board to review and approve, on an annual basis, the policies for each of the principal risks (Capital, Conduct, Credit, Liquidity, Market and Operational); review material changes, and make recommendations to the Board, in relation to each of the Individual Liquidity Adequacy Assessment (ILAA), the Internal Capital Adequacy Assessment Process (ICAAP) and the Risk Management Framework; and advise the Board on the Risk Appetite Framework and tolerance across the principal risks which the Company is exposed to for current and future business strategy.

Remuneration Committee

The Remuneration Committee is chaired by Timothy Barker (Non-Executive Director), the other members comprise two non-executive directors. It meets at least twice a year. The Remuneration Committee is appointed by the Board to review and approve, on an annual basis, the Remuneration Policy Statement and ensure that the remuneration policies comply with the European Banking Authority's Remuneration Code, other legal and regulatory requirements and relevant industry guidance; and review the remuneration policies, practices and incentives taking into account the financial condition and future prospects of the Company together with the implications for the risk and risk management of the firm.

Nominations Committee

The Nominations Committee is chaired by Timothy Barker (Non-Executive Director); the other members comprise two non-executive directors. It meets at least twice a year. The Nominations Committee is appointed by the Board to periodically, and at least annually, assess the structure, size, composition, diversity and performance of the Board and make recommendations to the Board with regard to any changes; identify and recommend for approval, by the Board, candidates to fill Board vacancies, having evaluated the balance of knowledge, skills, diversity and experience of the existing Board members; reviewing succession planning for directors taking into account the skills needed on the Board in the future; and supervision of the induction process for new directors and the on-going training and development of all directors.

Risk Management Committee

The Risk Management Committee is chaired by Trevor Mathews (Chief Risk Officer EMEA); the other members comprise the Global Chief Risk Officer and five executive directors. It meets at least monthly and more frequently if necessary. The Risk Management Committee is a discussion, advisory and decision-making forum responsible for oversight of market, credit, operational and liquidity risks. It also reviews significant changes and additions to the businesses and/or products covered by the risk management processes.

Operating Committee

The Operating Committee is chaired by Huw Tucker (International Chief Financial Officer) with the other members being the heads of the key corporate functions and the Chief Operating Officers of each of the main business divisions of the Company and JBL. The Operating Committee meets on at least a monthly basis. The Operating Committee is the key forum for coordination and communication between the control managers.

Asset and Liability Management Committee

The Asset and Liability Management Committee, which is chaired by Huw Tucker (International Chief Financial Officer), supports the Risk Management Committee and the Boards in the oversight of liquidity risk exposures and funding strategy, balance sheet, capital and liquidity risk management, including development of the liquidity risk management framework and the stress testing methodology. It also acts as a steering committee for the annual ICAAP and ILAA assessment processes. The Asset and Liability Management Committee meets on at least a monthly basis.

Jefferies International Limited

DIRECTORS' REPORT (continued)

5. POST BALANCE SHEET EVENTS

There are no material post balance sheet events to report.

6. DIRECTORS

The directors who held office during the year and up to the date of signing the financial statements are detailed below:

M R Bailey	<i>(executive director)</i>
T G Barker	<i>(non - executive director)</i>
W P Campbell	<i>(non - executive director)</i>
T E Cronin	<i>(executive director)</i>
A B Gibbins	<i>(non - executive director)</i>
D B E Lester	<i>(executive director)</i>
A M Shortland	<i>(executive director)</i>
H M Tucker	<i>(executive director)</i>
D W Weaver	<i>(executive director)</i>

The directors have no interest in the Company's shares. The executive directors are eligible to participate in a share-based incentive scheme managed by the ultimate parent company, Leucadia National Corporation.

Of the current directors, two are remunerated through affiliated companies for their services as directors to the Company.

The Company has qualifying third party indemnity provisions for the benefit of its directors which were in force during the year and remain in force at the date of this report.

7. EMPLOYER POLICY

The Company strives to keep employees informed of the progress of the businesses within the Jefferies Group. The text of public announcements is made available to employees (via e-mail) simultaneously with release to the media. Senior management provides regular briefings to all staff concerning business performance and strategy.

The interest of employees in the Jefferies Group's performance is augmented through the Employee Stock Purchase Plan, in which all employees are able to participate.

It is the policy and practice of the Company to provide equal employment opportunities for all employees and applicants. The Company does not discriminate on the basis of sex, race, religion, age, nationality, ethnic origin, marital status, disability or sexual orientation. Any such discrimination by an employee or worker of the Company will be treated as gross misconduct and could lead to dismissal.

The Company gives full and fair consideration to applications for employment by disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members or staff become disabled the Company continues employment, either in the same or an alternate position, with appropriate retraining being given where appropriate.

Jefferies International Limited

DIRECTORS' REPORT (continued)

8. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to.

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

9. STATEMENT ON DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

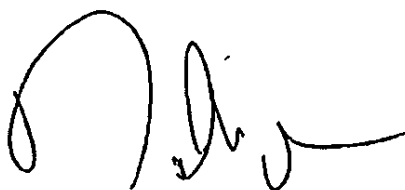
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Jefferies International Limited
DIRECTORS' REPORT (continued)

10. INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP has indicated its willingness to continue in office and appropriate arrangements are being made for it to be reappointed as auditor in the absence of an Annual General Meeting.

On behalf of the Board



D W Weaver
Director

27th February 2015

Vintners Place
68 Upper Thames Street
London EC4V 3BJ

Jefferies International Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JEFFERIES INTERNATIONAL LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, Jefferies International Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 30 November 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Jefferies International Limited's financial statements comprise:

- the balance sheet as at 30 November 2014;
- the profit and loss account and statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Jefferies International Limited
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JEFFERIES
INTERNATIONAL LIMITED (continued)

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Jonathan Askew (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

27 February 2015

Jefferies International Limited
PROFIT AND LOSS ACCOUNT
For the year ended 30 November 2014

	Note	2014 £000	2013 £000
Turnover	2	384,080	339,844
Administrative expenses		<u>(309,316)</u>	<u>(299,189)</u>
Operating profit		74,764	40,655
Interest receivable and similar income	3	1,705	367
Interest payable and similar charges	4	<u>(20,366)</u>	<u>(18,278)</u>
Profit on ordinary activities before taxation		56,103	22,744
Tax on profit on ordinary activities	9	<u>(14,208)</u>	<u>(6,244)</u>
Profit for the financial year	22	<u>41,895</u>	<u>16,500</u>

The notes on pages 14 to 36 form part of these financial statements

The turnover and operating profit of the Company are derived entirely from continuing operations.

Jefferies International Limited
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 30 November 2014

		2014	2013
	Note	£000	£000
Profit for the financial year		41,895	16,500
Currency translation difference on foreign currency net investments	22	33	(439)
Total recognised gains relating to the financial year		41,928	16,061

The notes on pages 14 to 36 form part of these financial statements

Jefferies International Limited
BALANCE SHEET
As at 30 November 2014

	Note	2014 £000	2013 £000
Fixed assets			
Tangible assets	10	19,167	20,119
Fixed asset investments	11	2,972	2,973
		<u>22,139</u>	<u>23,092</u>
Current Assets			
Trading assets	13	3,356,453	2,499,027
Debtors:			
amounts falling due within one year	12	2,848,369	2,455,820
amounts falling due after more than one year	12	28,934	29,367
Cash at bank and in hand		355,920	102,935
Cash held in segregated accounts		-	3,600
		<u>6,589,676</u>	<u>55,090,749</u>
Current liabilities			
Trading liabilities	14	(1,940,965)	(1,676,792)
Creditors: amounts falling due within one year	16	(3,964,264)	(2,891,215)
		<u>(5,905,229)</u>	<u>(4,568,007)</u>
Net current assets		<u>684,447</u>	<u>522,742</u>
Total assets less current liabilities		706,586	545,834
Creditors: amounts falling due after more than one year	17	(288,700)	(214,783)
Provisions for liabilities	19	<u>(1,086)</u>	<u>(1,246)</u>
Net assets		<u>416,800</u>	<u>329,805</u>
Capital and reserves			
Called up share capital	21	277,139	277,139
Share premium account	22	2,162	2,162
Capital contribution reserve	22	99,429	54,362
Translation reserve	22	1,086	1,053
Profit and loss account	22	<u>36,984</u>	<u>(4,911)</u>
Total shareholder's funds	22	<u>416,800</u>	<u>329,805</u>

The notes on pages 14 to 36 form part of these financial statements.

The financial statements on pages 11 to 36 were approved by the board of directors on 27th February 2015 and were signed on its behalf by:



H M Tucker
 Director

Jefferies International Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2014

1. ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are described below. They have been applied consistently throughout this year and the prior year with the exception of the change detailed in (y) below.

(a) Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006, UK Generally Accepted Accounting Practice (UK GAAP) and under the historical cost convention, except for trading assets and liabilities, as noted in (i), (j) and (n) below

(b) Going concern

The Company's shareholder's funds have increased from £329.8 million in 2013 to £416.8 million in 2014. The Company had cash of £355.9 million as at 30 November 2014 compared to £102.9 million as at 30 November 2013.

The risks and uncertainties facing the Company are discussed in the Directors' Report and in note 25. Taking these factors into account, the directors are satisfied that the Company will continue to have adequate resources to continue in operational existence for the foreseeable future and consequently present these financial statements on a going concern basis

(c) Functional currency

The Company uses Pound Sterling as its functional and reporting currency.

(d) Group consolidation

As permitted by s400 of the Companies Act 2006 the Company is not preparing consolidated group financial statements as it is consolidated within the consolidated group financial statements of its immediate parent company, Jefferies International (Holdings) Limited which is a company registered in England and Wales

(e) Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks which the Company controls and has access to the associated future economic benefit.

(f) Cash flow statement

As permitted by Financial Reporting Standard 1, no cash flow statement is presented in these financial statements as the Company is an indirect wholly-owned subsidiary of Leucadia National Corporation, which presents such a statement in its own published consolidated financial statements that are publicly available

(g) Turnover

Turnover is generated from the following categories of business:

- **Net trading income:** the Company's net trading income includes movements in the fair value of financial instruments and trading profits and losses, including dividends and coupons, earned from dealing and principal trading in marketable investments.
- **Commission income:** commission income and fees are derived from sales activities and are accounted for on the trade date of the related transaction.
- **Investment banking fees:** advisory and underwriting fees are recognised on an accruals basis and recorded to the profit and loss account in the period earned provided they are receivable under the terms of the contract and collectability is reasonably assured.

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

1. ACCOUNTING POLICIES (continued)

(g) Turnover (continued)

- **Interest income and expense recognition:** interest income and expense presented in the profit and loss account includes interest on financial assets and liabilities and short-term and long-term funding. Interest income and expense on all trading assets and liabilities are presented together with all other changes in fair value of trading assets and liabilities in net trading income. The interest income and expense is accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instruments to the extent that they are not settled in the period in which they arise.
- **Service fee income:** service fee income comprises intercompany transfer pricing arrangements between related business entities and is calculated and recognised on an accruals basis.

(h) Adoption of Financial Reporting Standard (FRS) 29

The Company is exempt from making certain disclosure on financial instruments, as required by FRS 29, as it is wholly owned by Jefferies International (Holdings) Limited and is included in publicly available consolidated financial statements of Jefferies International (Holdings) Limited which include disclosures that comply with the standard.

(i) Trading assets and liabilities

Trading assets and liabilities are derivatives or those assets and liabilities that the Company acquires or incurs principally for the purpose of selling in the near term, held as part of a portfolio that is managed together for short-term profit making. All trading assets and liabilities are classified as held for trading purposes under FRS 26.

Trading assets and liabilities are initially recognised and subsequently measured at fair value in the balance sheet with transaction costs taken directly to the profit and loss account. All changes in the fair value are recognised as part of net trading income in the profit or loss account. Trading assets and liabilities are not reclassified subsequent to their initial recognition.

(j) Derivatives

Derivatives are held for both economic hedging and trading purposes and arise from customer and proprietary trading activities. All trading book positions held by the firm are carried at fair value in the balance sheet with changes in realised and unrealised gains and losses recorded in the profit and loss account.

The Company's derivative trading positions are presented gross within trading assets and trading liabilities on the face of the Balance Sheet (see (x) overleaf). Legally enforceable netting agreements and collateral held against those trading positions significantly reduce the net exposure of the Company to potential loss in the event of a counterparty default.

(k) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

1. ACCOUNTING POLICIES (continued)

(l) Offsetting

The Company only offsets financial assets and liabilities and presents the net amount in the balance sheet where it:

- currently has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and liability simultaneously.

In many instances the Company's net position on multiple transactions with the same counterparty is legally protected by Master Netting Agreements. Such agreements ensure that the net position is settled in the event of default by either counterparty thus effectively limiting credit risk on gross exposures.

The derivative trading positions do not meet the requirements above and hence are presented on a gross basis within the Company's financial statements.

(m) Financing transactions, stock borrowing and lending

The Company enters into repurchase and reverse repurchase agreements and securities borrowed and loaned transactions to accommodate customers and earn interest rate spreads, obtain securities for settlement and finance inventory positions.

Repurchase and reverse repurchase agreements, accounted for as collateralised financing transactions, are recorded at their contractual amounts plus accrued interest. Securities received under reverse repurchase agreements and securities delivered under repurchase agreements are not recognised on, or derecognised from, the Balance Sheet respectively, unless the risk and rewards of ownership are received or relinquished.

To ensure that the market value of the underlying collateral remains sufficient, collateral is generally valued daily and the Company may require counterparties to deposit additional collateral or may return collateral pledged when appropriate.

Substantially all repurchase and reverse repurchase activities are transacted under master agreements that give the Company the right, in the event of default, to liquidate collateral held and to offset receivables and payables with the same counterparty. The Company offsets certain repurchase and reverse repurchase agreement balances with the same counterparty on the Balance Sheet when intending to settle on a net basis.

Securities borrowed and loaned transactions are recorded at the amount of cash collateral advanced or received plus accrued interest. Securities borrowed transactions require the Company to provide the counterparty with collateral in the form of cash, letters of credit, or other securities. The Company receives collateral in the form of cash or other securities for securities loaned transactions.

On a daily basis, the Company monitors the market value of securities borrowed or loaned against the collateral value, and the Company may require counterparties to deposit additional collateral or may return collateral pledged, when appropriate. For securities borrowed and loaned transactions, the fees received or paid by the Company are recorded as interest revenue or expense.

Securities borrowed or loaned are not recognised on, or derecognised from, the Balance Sheet respectively, unless the risk and rewards of ownership are received or relinquished.

(n) Fair value measurement

The Company accounts for financial instruments on a trade date basis and they are fair valued through the profit and loss account. The fair values of financial assets and financial liabilities are based on quoted market prices or dealer price quotations where available for financial instruments traded in active markets. The fair value of exchange traded derivatives is obtained from observable market prices. The fair value of over-the-counter (OTC) derivatives is determined by valuation models where the input parameters are validated by observable market data.

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

1. ACCOUNTING POLICIES (continued)

(n) Fair value measurement (continued)

Other financial instruments' values are generally based on an assessment of each underlying investment, market data of any recent comparable transactions and incorporate assumptions regarding market outlook, amongst other factors.

Fair Value Hierarchy

In determining the fair value of the financial instruments, the Company maximises the use of observable inputs and minimises the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect our assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The Company applies a hierarchy to categorise our fair value measurements broken down into three levels based on the transparency of inputs as follows:

- | | |
|----------|--|
| Level 1: | Quoted prices are available in active markets for identical assets or liabilities as of the reported date. |
| Level 2: | Pricing inputs are other than quoted prices in active markets, which are directly observable as of the reported date. The nature of these financial instruments include cash instruments for which quoted prices are available but traded less frequently, derivative instruments whose fair value has been derived using a model where inputs to the model are directly observable in the market, and instruments that are fair valued using other financial instruments, the parameters of which can be directly observed. |
| Level 3: | Instruments that have little to no pricing observability as of the reported date. These financial instruments are measured using management's best estimate of fair value, where the inputs into the determination of the fair value require significant management judgement or estimation. |

(o) Fixed assets and depreciation

Tangible fixed assets are stated at cost, net of accumulated depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

1. Leasehold improvements - over the life of the lease
2. Fixtures, fittings and equipment – straight-line basis over estimated useful economic life of 3 - 10 years.

(p) Assets under construction

Assets under construction are stated at cost, net of any provision for impairment. The assets are not depreciated until construction has been completed and the assets are in service.

(q) Fixed asset investments and shares in subsidiary undertakings

Fixed asset investments and shares in subsidiary undertakings are recorded at cost less any provisions for impairment in value.

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

1. ACCOUNTING POLICIES (continued)

(r) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis.

(s) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the year end. The results of overseas branches are translated into sterling at the average rates of exchange for the year.

Exchange differences arising from translation of the branches' results for the year from the average rate to the exchange rate ruling at the year-end are accounted for in reserves.

Other exchange differences are recognised in the profit and loss account in the year in which they arise

(t) Pension costs

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. The amounts charged to the profit and loss account represent the contribution payable in respect of the accounting period.

(u) Leased assets

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

1. ACCOUNTING POLICIES (continued)

(v) Share-based payments

The share awards program allows employees of the Company to acquire shares in the ultimate parent company, Leucadia National Corporation. As this scheme awards equity of the ultimate parent company, Leucadia National Corporation, these transactions are accounted for on an equity-settled basis.

The fair value of share awards granted is recognised as an employee compensation expense. The amount of compensation expense is determined by reference to the fair value of the share awards on grant date. Share awards granted to an employee on commencement of employment are charged to the Profit and Loss account immediately at the point of grant unless there is a required service period whereupon it is charged over the requisite service period on a straight-line basis.

The capital contribution reserve is credited with the share based payment contributions charge for the year and debited to the extent that a recharge is made to the Company by the ultimate parent company, Leucadia National Corporation.

A share award may be forfeited if an employee ceases to be employed by the Company before the end of the vesting period, if they breach the forfeiture provisions of that award. If the award of shares is forfeited during the vesting period, the life to date charge is reversed to the profit and loss account at the time of forfeiture.

(w) Deferred compensation

The Company has made remuneration payments to certain employees as part of agreements that stipulate a minimum service period. In accordance with FRS 20 the Company recognises the cost over the stipulated service period to match the provision of the services by the employee

(x) Deferral schemes

An Employee Financial Retirement Benefit Scheme (EFRBS) has been set up by the Company. The trust is managed by a board of trustees and is independent of the Company and Jefferies Group. Neither the trust nor the trust's assets are recognised on the Company's Balance Sheet as at 30 November 2014.

(y) Cash held in segregated accounts

As required by the FCA, the Company has segregated bank and broker accounts set up for certain clients under the FCA's Client Money Rules. The cash held in these segregated accounts is required to be separately segregated from that in the non-segregated bank accounts and held by us as statutory trustee for those clients. In a change to previous years' accounting treatment segregated balances are now not included on the Balance Sheet (see note 26).

(z) Segmental information

In the opinion of the directors, the disclosure of segmental information relating to the business categories and the geographical origin would be seriously prejudicial to the interests of the Company. The directors have therefore applied the exemption available under SSAP 25 'Segmental Reporting'.

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

2. TURNOVER

	2014 £000	2013 £000
Net trading income:		
- Principal transactions	141,021	144,853
- Commissions	58,250	43,505
- Interest	9,838	8,552
Investment banking fees	122,230	107,314
Service fee income	49,803	33,193
Other income	2,938	2,427
	<u>384,080</u>	<u>339,844</u>

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £000	2013 £000
Interest received on bank accounts	120	190
Interest receivable from group undertakings	1,519	17
Other interest receivable	66	160
	<u>1,705</u>	<u>367</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £000	2013 £000
Interest payable to group undertakings	20,104	17,896
Other interest payable	262	382
	<u>20,366</u>	<u>18,278</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2014 £000	2013 £000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration for the audit of the Company's financial statements	308	297
Auditors' remuneration for taxation services	-	227
Auditors' remuneration in relation to other non-audit services	50	41
Amortisation of intangible assets	-	11
Depreciation of tangible fixed assets (note 10)	4,478	4,599
Operating lease rentals (note 23)	4,897	4,853
Loss / (gain) on foreign currency revaluation	1,275	(1,460)
	<u>1,275</u>	<u>(1,460)</u>

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

6. STAFF NUMBERS AND COSTS

The monthly average number of employees (including directors) during the year was 805 (2013: 789). The split of these was as follows:

	2014 Number	2013 Number
Front office staff	521	508
Administration staff	284	281
	<u>805</u>	<u>789</u>

The aggregate payroll costs were as follows:

	2014 £000	2013 £000
Wages and salaries	183,768	180,057
Social security costs	26,221	26,324
Other pension costs	7,143	6,822
	<u>217,132</u>	<u>213,203</u>

7. REMUNERATION OF DIRECTORS

The highest paid director received emoluments of £2,122,155 (2013: £2,449,447) and no contributions were made, in the current or prior year, to a pension scheme on his behalf.

The emoluments of the directors (including the highest paid director) were as follows:

	2014 £000	2013 £000
Emoluments	6,061	6,458
Pension contributions	49	53
	<u>6,110</u>	<u>6,511</u>

The directors were not granted any share awards in Leucadia National Corporation for the year ended 30 November 2014.

Of the directors who served during the year, five executive directors were members of the defined contribution plan, operated for all eligible employees of the Company (2013 – five directors).

Jefferies International Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2014

8. PENSION COSTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. The amount charged against profits for contributions payable by the Company to the fund amounted to £7,143,035 (2013: £6,821,612). The pension contributions for November 2014, which amounted to £809,423 (November 2013: £475,348), were still to be paid over at the year end and hence appear in creditors.

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £000	2013 £000
UK corporation tax charge at 21.67% (2013: 23.33%) on the profit for the year	10,395	-
Double tax relief	(1,097)	-
Adjustment to UK Corporation tax in respect of prior years	103	(11)
Adjustment to Overseas Corporation tax in respect of prior years	-	226
	<u>9,401</u>	<u>215</u>
Overseas tax	<u>2,275</u>	<u>2,106</u>
Total current tax	11,676	2,321
Deferred tax:		
- origination and reversal of timing differences	2,299	2,837
- adjustments in respect of prior years	(60)	(177)
- effect of reduction in tax rate	293	1,263
	<u>2,532</u>	<u>3,923</u>
Total tax charge on ordinary activities	<u>14,208</u>	<u>6,244</u>

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

9. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the United Kingdom 21.67% (2013: 23.33%).

Tax reconciliation

	2014 £000	2013 £000
Profit on ordinary activities before taxation	56,103	22,744
Tax on profit on ordinary activities before taxation at the standard rate of corporation tax in the United Kingdom of 21.67 % (2013: 23.33%)	12,158	5,306
Adjustments in respect of prior years	103	215
Disallowable expenses	368	468
Restricted stock credit	(1,355)	(4,020)
Higher tax rates on overseas earnings	1,178	1,628
Depreciation for the year in excess of capital allowances	845	1,073
Utilisation of tax losses	(2,870)	(2,005)
Enhanced relief for expenditure on research and development	(345)	(297)
Other timing differences	1,594	(47)
Total current tax	11,676	2,321

Factors that may affect future tax charges

Deferred taxation relating to capital allowances and other timing differences is provided only in so far as a liability or asset is expected to crystallise in the foreseeable future.

The Finance Act 2013 enacted a 1% reduction in the main UK corporation tax rate to 20% with effect from 1 April 2015. As this change in the rate was substantively enacted prior to 30 November 2014, it has been reflected in the deferred tax asset in these financial statements.

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

10. TANGIBLE ASSETS

	Leasehold Improvements £000	Fixtures, Fittings & Equipment £000	Assets Under Construction £'000	Total £000
<u>Cost</u>				
As at 1 December 2013	24,298	12,400	2,577	39,275
Foreign currency movement	23	(40)	-	(17)
Additions	99	1,428	1,995	3,522
Transfer	-	923	(923)	-
As at 30 November 2014	<u>24,420</u>	<u>14,711</u>	<u>3,649</u>	<u>42,780</u>
<u>Accumulated depreciation</u>				
As at 1 December 2013	11,442	7,714	-	19,156
Foreign currency movement	12	(33)	-	(21)
Charge for the year	2,612	1,866	-	4,478
As at 30 November 2014	<u>14,066</u>	<u>9,547</u>	<u>-</u>	<u>23,613</u>
<u>Net Book Value</u>				
As at 30 November 2014	<u>10,354</u>	<u>5,164</u>	<u>3,649</u>	<u>19,167</u>
As at 30 November 2013	<u>12,856</u>	<u>4,686</u>	<u>2,577</u>	<u>20,119</u>

The tangible fixed assets' valuation has been assessed at the Balance Sheet date and no adjustment to the valuation was deemed necessary.

The assets under construction relate to the on-going development of an internal management reporting system.

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

11. FIXED ASSET INVESTMENTS

	£000	£000
<u>Shares in subsidiary undertakings:</u>		
As at 1 December 2013 / 2012 and 30 November 2014 / 2013	2,467	2,467
<u>Other fixed asset investments:</u>		
As at 1 December 2013 / 2012	506	502
Foreign exchange revaluation of investment	(1)	4
As at 30 November 2014 / 2013	505	506
Total fixed asset investments	2,972	2,973

The other fixed asset investments includes unlisted preference shares in Altius Holdings Limited, Altius Associates Limited and unlisted shares in the Swift payment system. The Altius preference shares were transferred to the Company from Helix Associates Limited along with its trade in 2009.

The Company has investments in the following subsidiaries:

Name of undertaking	Description of shares held	Proportion of value of issued shares held by the group and Company	Principal activity
Jefferies (Switzerland) Limited	Ordinary SF 1,000 Shares	100%	Introducing Broker
Station Place Securitization Trust	\$100 membership interest	100%	Financing vehicle
Jefferies International (Nominees) Limited	Ordinary £1 Shares	100%	Nominee Company
Jefferies International (Nominees) Client Account Limited	Ordinary £1 Shares	100%	Nominee Company
Jefferies Securities Limited	Ordinary £1 Shares	100%	Dormant Company
Jefferies Investments Limited	Ordinary £1 Shares	100%	Dormant Company
Leucadia Limited	Ordinary £1 Shares	100%	Dormant Company
Leucadia Asset Management Limited	Ordinary £1 Shares	100%	Dormant Company

Apart from Jefferies (Switzerland) Limited which is registered in Switzerland and Station Place Securitization Trust which is registered in the United States of America, all subsidiaries are registered in England and Wales. The directors believe that the carrying value of the investments is supported by their underlying net assets.

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

12. DEBTORS

	2014 £000	2013 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	31,877	17,931
Securities borrowing	307,819	309,243
Securities awaiting settlement	1,576,221	1,259,231
Reverse repurchase agreements	793,767	619,049
Other trade receivables	125,586	235,475
Prepayments and accrued income	3,325	3,956
Deferred taxation (note 20)	1,046	6,429
Other debtors	8,728	4,506
	<u>2,848,369</u>	<u>2,455,820</u>
Amounts falling due after more than one year:		
Prepayments and accrued income	460	142
Deferred taxation (note 20)	8,512	5,664
Other debtors	19,962	23,561
	<u>28,934</u>	<u>29,367</u>

13. TRADING ASSETS

	2014 £000	2013 £000
Equity shares	79,857	97,952
Debt securities - Corporate	575,513	468,956
Debt securities - Government	1,702,169	1,398,963
Asset-backed securities	295,235	186,841
Derivatives	703,679	346,315
	<u>3,356,453</u>	<u>2,499,027</u>

14. TRADING LIABILITIES

	2014 £000	2013 £000
Equity shares	41,809	105,233
Debt securities - Corporate	106,486	143,376
Debt securities - Government	1,094,796	1,085,038
Derivatives	697,874	343,145
	<u>1,940,965</u>	<u>1,676,792</u>

Jefferies International Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2014

15. FINANCIAL INSTRUMENTS

The tables below analyse financial instruments measured at fair value at the end of the year, by the level in the fair value hierarchy into which the fair value measurement is categorised. There are no differences between the financial instrument's fair values detailed below and the values carried on the Company's Balance Sheet.

30 November 2014	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
<u>Trading Assets</u>				
Equity shares	76,728	2,056	1,073	79,857
Debt securities – Corporate	-	574,792	721	575,513
Debt securities – Government	1,262,397	439,772	-	1,702,169
Asset-backed securities	-	266,285	28,950	295,235
Derivatives	115	703,564	-	703,679
Total Trading Assets	1,339,240	1,986,469	30,744	3,356,453
<u>Trading Liabilities</u>				
Equity shares	41,802	7	-	41,809
Debt securities – Corporate	-	106,398	88	106,486
Debt securities – Government	797,884	296,912	-	1,094,796
Derivatives	-	697,874	-	697,874
Total Trading Liabilities	839,686	1,101,191	88	1,940,965

30 November 2013	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
<u>Trading Assets</u>				
Equity shares	78,102	17,655	2,195	97,952
Debt securities – Corporate	-	463,238	5,718	468,956
Debt securities – Government	918,219	480,744	-	1,398,963
Asset-backed securities	-	169,493	17,348	186,841
Derivatives	-	346,315	-	346,315
Total Trading Assets	996,321	1,477,445	25,261	2,499,027
<u>Trading Liabilities</u>				
Equity shares	97,616	7,617	-	105,233
Debt securities – Corporate	-	143,376	-	143,376
Debt securities – Government	868,660	216,378	-	1,085,038
Derivatives	-	343,145	-	343,145
Total Trading Liabilities	966,276	710,516	-	1,676,792

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

15. FINANCIAL INSTRUMENTS (continued)

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement in Level 3 of the fair value hierarchy:

	Equity shares £000	Debt securities - Corporate £000	Asset- backed securities £000	Total £000
30 November 2014	£000	£000	£000	£000
Balance as at 1 December 2013	2,195	5,718	17,348	25,261
Total gains recognised in profit or loss	560	300	11,071	11,931
Purchases	270	23,477	39,335	63,082
Sales	(343)	(23,698)	(46,759)	(70,800)
Settlements	-	-	(486)	(486)
Transfers into Level 3	308	14	9,104	9,426
Transfers out of Level 3	(1,917)	(5,178)	(663)	(7,758)
Balance at 30 November 2014	1,073	633	28,950	30,656

	Equity shares £000	Debt securities - Corporate £000	Asset- backed securities £000	Total £000
30 November 2013	£000	£000	£000	£000
Balance as at 1 December 2012	2,586	1,626	31,417	35,629
Total gains or (losses) recognised in profit or loss	94	38	(524)	(392)
Purchases	221	24,094	19,206	43,521
Sales	(771)	(20,045)	(32,915)	(53,731)
Settlements	-	-	(32)	(32)
Transfers into Level 3	153	262	4,870	5,285
Transfers out of Level 3	(88)	(257)	(4,674)	(5,019)
Balance at 30 November 2013	2,195	5,718	17,348	25,261

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £000	2013 £000
Amounts owed to group undertakings	592,309	568,668
Securities lending	239,425	326,673
Securities awaiting settlement	1,765,815	1,188,938
Repurchase agreements	1,247,566	688,855
Other amounts held in respect of client money held	-	3,600
Other trade payables	517	4,155
Other creditors:		
- Social security	5,572	5,304
- Group relief payable	9,533	-
- Overseas corporation tax	731	1,421
- Accruals and deferred income	65,884	61,023
- Other creditors	36,912	42,578
	<u>3,964,264</u>	<u>2,891,215</u>

As at 30 November 2014, £9.25 million of other amounts owed in respect of clients are no longer treated as the Company's liabilities. In the prior year, £3.6 million of other amounts owed in respect of clients are recognized as the Company's liabilities (see note 26).

17. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2014 £000	2013 £000
Subordinated loan notes	223,971	152,761
Subordinated loan	63,992	61,105
Accruals and deferred income	737	917
	<u>288,700</u>	<u>214,783</u>

In the financial year ending 30 November 2014 the Company issued an additional £64.0 million in subordinated loan notes to Jefferies Group LLC.

Interest is charged at a fixed rate of 7.5% per annum on both the subordinated loan notes and the subordinated loan. Jefferies Group LLC is the lender on £134.4 million worth of the subordinated loan notes of which £32 million will mature on 31 October 2024, £70.4 million on 30 April 2033 and the remaining £32 million on 31 May 2034.

Jefferies Group LLC is the lender of the entire £64.0 million subordinated loan which matures on 30 June 2036. The lender on the remaining £89.6 million notes, maturing on 30 April 2033, is Jefferies Financing, LLP which is ultimately owned by Jefferies Group LLC. The loan notes held by Jefferies Financing LLP are listed on the Channel Islands Stock Exchange.

Jefferies International Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2014

18. COLLATERAL FOR FINANCING TRANSACTIONS, STOCK BORROWING AND LENDING

	2014 £000	2013 £000
Cash collateral paid for securities borrowed	307,819	309,243
Cash collateral received for securities lent	(239,425)	(305,849)
Cash collateral paid for reverse repurchase agreements	793,767	619,049
Cash collateral received for repurchase agreements	(1,247,566)	(688,855)
Other cash collateral paid	140,316	167,642
Other cash collateral received	(145,233)	(104,295)
Non cash collateral pledged	24,599	27,763
Non cash collateral received	(3,467)	(6,760)

19. PROVISION FOR LIABILITIES

	Litigation provision £000	Severance provision £000	Total £000
As at 1 December 2013	149	1,097	1,246
Charged to the profit and loss account	203	1,474	1,677
Utilised during the year	(120)	(1,717)	(1,837)
As at 30 November 2014	232	854	1,086

Litigation provision

Provision relates to an estimate of costs on a number of specific legal matters that were unresolved at the balance sheet date. We estimate that the matters will be resolved within twelve months of the balance sheet date.

Severance provision

The provision relates to severance costs arising for current ongoing restructuring plans. The affected employees had been informed of the restructuring plans as at 30 November 2014 and those plans will be completed within twelve months.

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

20. DEFERRED TAXATION ASSET

	£000
As at 1 December 2013	12,093
Charged to profit and loss account	(2,532)
Foreign exchange difference	(3)
As at 30 November 2014	<u>9,558</u>
Deferred tax comprises:	
2014	2013
£000	£000

Amounts falling due within one year.

Depreciation charged in excess of capital allowances	-	1,146
Unrelieved tax losses	-	3,831
Share award expenses not yet deductible for tax	784	1,196
Other timing differences	<u>262</u>	<u>256</u>
	<u>1,046</u>	<u>6,429</u>
	2014	2013
	£000	£000

Amounts falling due after more than one year

Depreciation charged in excess of capital allowances	4,134	2,132
Contributions into the Employee Financial Retirement Benefit Scheme	1,306	1,306
Share award expenses not yet deductible for tax	784	2,226
Other timing differences	<u>2,288</u>	<u>-</u>
	<u>8,512</u>	<u>5,664</u>

The Finance Act 2013 enacted a 1% reduction in the main UK corporation tax rate to 20% with effect from 1 April 2015. As this change in rate was substantively enacted prior to 30 November 2014, it has been reflected in the deferred tax asset in these financial statements.

21. CALLED UP SHARE CAPITAL

	2014	2013
	£	£
<u>Allotted, called up and fully paid</u>		
Ordinary shares of £1 each	<u>277,139,323</u>	<u>277,139,323</u>

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

22. RECONCILIATION OF SHAREHOLDER'S FUNDS

	Called Up Share Capital £000	Share premium account £000	Capital contrib'n reserve £000	Translation reserve £000	Profit and loss account £000	Total £000
As at 1 December 2013	277,139	2,162	54,362	1,053	(4,911)	329,805
Profit for the financial year	-	-	-	-	41,895	41,895
Capital contribution from parent	-	-	45,067	-	-	45,067
Share based payments contributions	-	-	5,142	-	-	5,142
Share based payment recharge	-	-	(5,142)	-	-	(5,142)
Foreign exchange differences relating to the translation of branch results	-	-	-	33	-	33
As at 30 November 2014	277,139	2,162	99,429	1,086	36,984	416,800
As at 1 December 2012	277,139	2,162	412	1,492	(21,411)	259,794
Profit for the financial year	-	-	-	-	16,500	16,500
Issue of shares to parent	-	-	53,950	-	-	53,950
Share based payments contributions	-	-	7,688	-	-	7,688
Share based payment recharge	-	-	(7,688)	-	-	(7,688)
Foreign exchange differences relating to the translation of branch results	-	-	-	(439)	-	(439)
As at 30 November 2013	277,139	2,162	54,362	1,053	(4,911)	329,805

On 31 December 2013 the Company received an additional capital contribution of £30.2 million from its parent, Jefferies International (Holdings) Limited ("JIHL"). On 27 May 2014 JIHL made a further capital contribution of £14.9 million to the Company. These additional capital contributions are to support the Company's increased level of trading activity.

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

23. COMMITMENTS UNDER OPERATING LEASES

Annual commitments under operating leases comprise:

	Land & building £000	2014 Other £000	Total £000	Land & building £000	2013 Other £000	Total £000
Operating leases which expire:						
Within one year	238	214	452	314	165	479
In two to five years	735	-	735	751	18	769
After five years	3,710	-	3,710	3,605	-	3,605
	<u>4,683</u>	<u>214</u>	<u>4,897</u>	<u>4,670</u>	<u>183</u>	<u>4,853</u>

24. SHARE-BASED PAYMENTS

The Company's equity settled share-based payment plan consists entirely of the Leucadia Incentive Compensation Plan, being Restricted Stock Awards and Restricted Stock Units. The aim of the plan is to provide employees with a proprietary interest in the growth and performance of the group so to better align the interests of the employees with the interest of the Leucadia National Corporation shareholders. During the year £5,142,234 (2013: £7,687,572) was charged to the profit and loss account in respect of equity-settled share-based payment transactions.

a) Restricted Stock Awards ('RSA')

RSAs are made to eligible employees for recruitment and compensation purposes. The awards vest at a future date determined at the time of the grant of the award. Unvested share awards are retained upon the cessation of an individual's employment, unless they are forfeited as a result of the forfeiture provisions of those awards. In the event of forfeiture all related charges are reversed to the profit and loss account.

b) Employee Stock Purchase Plan ('ESPP')

The ESPP allows eligible employees to make contributions up to US\$21,250 per annum and apply such amounts to the purchase of Leucadia National Corporation shares. These contributions are deducted from the employees' net payroll. The aim of the plan is to align the interests of all employees to the creation of shareholder value. The plan operated in monthly sessions during the year with employee commitment being restricted to the month in question.

c) Restricted Stock Units ('RSU')

RSUs are made to eligible employees for recruitment and compensation purposes. An approved proportion of the awards become non-forfeitable on future anniversaries of grant date over the vesting period. RSUs not held past the predetermined grant date anniversary are retained, unless they are forfeited as a result of the forfeiture provisions of those awards. In the event of forfeiture all related charges are reversed to the profit and loss account.

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

24. SHARE-BASED PAYMENTS (continued)

The Leucadia Group's Incentive Compensation Plan awards outstanding are as follows:

RSA	2014 Number	2013 Number
Outstanding at 1 December	1,449,303	3,413,725
Transfer in / (out) from / (to) an affiliate	-	4,423
Additional awards granted	-	1,300
Vested and distributed during the year	-	(966,974)
Forfeited during the year	-	(55,303)
Outstanding at 28 February	-	2,397,171
Converted to Leucadia shares		(455,654)
Additional award granted during the year	-	2,747
Transfer in / (out) from / (to) an affiliate	(85,278)	43,259
Vested and distributed during the year	(667,216)	(508,708)
Forfeited during the year	(112,474)	(29,512)
Outstanding at 30 November	<u>584,335</u>	<u>1,449,303</u>
ESPP	2014 Number	2013 Number
Outstanding at 1 December	-	-
Additional awards granted	12	5
Vested and distributed during the year	(12)	(5)
Outstanding at 30 November	<u>-</u>	<u>-</u>
RSU	2014 Number	2013 Number
Outstanding at 1 December	283,967	638,869
Vested and distributed during the year	-	(198,564)
Forfeited during the year	-	-
Outstanding at 28 February	-	440,305
Converted to Leucadia shares	-	(83,678)
Additional awards granted	2,395	26,926
Vested and distributed during the year	(41,318)	(57,944)
Forfeited during the year	(3)	(41,642)
Outstanding at 30 November	<u>245,041</u>	<u>283,967</u>

Jefferies International Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 November 2014

24. SHARE-BASED PAYMENTS (continued)

The fair value of the restricted stock as at the date of grant is determined by the closing price of Leucadia National Corporation shares as listed on the New York Stock Exchange. No adjustment to fair value has been made in respect of expected dividends. There are no other features of the share awards granted that were incorporated into the measurement of fair value.

There were no RSAs granted in 2014. The weighted average fair value of RSAs granted in 2013 was \$26.90.

The weighted average fair value of shares granted under the ESPP during 2014 was \$22.75 (2013: \$22.05).

The weighted average fair value of RSUs granted in 2014 was \$21.88 (2013: \$26.41).

25. FINANCIAL RISK MANAGEMENT

The Company maintains positions in financial instruments for trading or arbitrage purposes and to hedge positions in the books. Furthermore, the Company also acts as a stockbroker and agent for its customers in the purchase and sale of securities.

The Company's approach to managing its key financial risks is described below.

- Market risk is the risk of loss from adverse changes in instrument values and/or earnings fluctuations arising from changes in market factors such as interest rates, exchange rates, and equity and commodity prices. The market risk appetite of the Company remains relatively limited, in terms of the size and nature of positions held, and this is monitored via a review of the positions held versus the established limits. To the fullest extent possible, the market risk infrastructure and process is common across the group, thus reflecting the integrated nature of the Jefferies market risk management function. As the Company's business continues to grow, this approach will be subject to ongoing review.
- Foreign currency risk can arise where significant transactions are made in currencies other than the Company's functional currency of Pound Sterling. In order to reduce the exposure to exchange rate fluctuations, currency risk is managed, for example by selling the exposure in the spot currency market.
- Credit risk is the risk of loss due to adverse changes in clients' and counterparties' creditworthiness, or their inability or unwillingness to meet their financial obligations under the terms and conditions of a financial contract as and when they fall due. The credit risk appetite of the Company remains relatively limited and comprises business settled principally on a delivery versus payment basis, where associated credit risk is perceived to be relatively low, and collateralised equity and fixed income financing arrangements.
- Liquidity risk is the risk of the Company being unable to secure adequate funding to meet current obligations. The liquidity risk is managed by having access to a liquid asset buffer of high quality unencumbered government bonds and through borrowing from Jefferies Group LLC.

Jefferies International Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2014

26. CASH HELD IN SEGREGATED ACCOUNTS

Following changes in industry practice governing client money, the accounting treatment in respect of client money held under the FCA's Client Money Rules as set out in chapter 7 of the FCA's Client Assets Sourcebook ("CASS"), has changed. As at 30 November 2014, £9,248,835 of cash held in segregated accounts is no longer treated as the Company's assets with a corresponding liability of £9,248,835 in creditors. The directors believe that the Company has neither access to significant benefits from the assets nor sufficient control to meet the required definition of assets. In the prior year, cash held in segregated accounts of £3,599,996 was recognised as the Company's asset with a corresponding liability of £3,599,996 in creditors.

27. POST BALANCE SHEET EVENTS

There are no material post balance sheet events to report.

28. RELATED PARTY TRANSACTIONS

In accordance with the exemption afforded by FRS 8 'Related Party Disclosures', certain details of transactions with parent and fellow subsidiary companies are not disclosed as the Company is a wholly-owned subsidiary of an entity whose consolidated financial statements are publicly available.

29. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Company's ultimate parent undertaking and controlling party is Leucadia National Corporation, a company incorporated in the United States of America. The financial statements of Leucadia National Corporation are for the largest group that consolidates the Company at 30 November 2014.

The parent undertaking of the smallest group which includes the Company and for which group financial statements are prepared is Jefferies International (Holdings) Limited, an intermediate holding company registered in England and Wales.

Copies of the latter group's financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ. Copies of the financial statements of Leucadia National Corporation, are available on request from 520 Madison Avenue, New York, New York 10022, United States of America.